



# Borrowing money to make money

## Can Be Good For Your Financial Wealth

### How would you like to increase your net worth more quickly?

Leveraged investing is a simple yet powerful wealth creation strategy that involves borrowing to invest. By taking out a loan today, your investment can benefit from growth and compounding while enjoying tax deductions\* on the interest you pay.

Most people are familiar with leveraging for things like mortgages, credit cards and automobiles. It is simply using other people's money to fund your purchases.

### Not all debt is bad debt

It is if you borrow money often with high interest credit cards, to purchase items that quickly depreciate in value. This type of debt is "bad debt". However, if you borrow to invest, you can benefit from a larger initial investment and your interest cost is tax deductible. This type of debt is called "good debt" and is usually anything that is tax deductible and provides value as the asset appreciates

### Advantages of Leveraging

Most people cannot fund home purchases with a large single lump sum. Similar to investing, it is difficult to save large sums every month. However, leveraging can be an effective strategy if you need a larger retirement fund or are saving towards long-term goals. Leveraging can potentially:

- Increase the amount you have to invest
- Boost investment returns
- Achieve long term financial goals more quickly
- Build a larger and more diversified retirement portfolio
- Complement other wealth creation strategies

### What you need to know

Leveraging is a powerful strategy but has to be right for you. It is a strategy worth considering if you are serious about maximizing your long-term wealth creation.

### Talk to your Financial Advisor **today** to see if leveraged investing is right for you!

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\* Tax laws are subject to change. Consult your financial advisor.